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Platform FTX.COM

KROLL SCHEDULE NUMBER 6323445

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US BANKRUPTCY COURT  
DISTRICT OF DELAWARE

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE**

ILYA ZUSMAN

Creditor/Claimant

vs.

FTX TRADING LTD et al  
Debtor

SULLIVAN & CROMWELL LLP  
Debtor's Counsel

LANDIS RATH & COBB LLP  
Debtor's Counsel

ALVAREZ & MARSAL NORTH AMERICA,  
LLC  
Debtor's Financial Advisor

) Case No.: Chapter 11 Case No. 22-11068 (KBO)  
) (Jointly Administered)

) **MEMORANDUM OF POINTS AND**  
) **AUTHORITIES IN OPPOSITION TO**  
) **MOTION OF THE FTX RECOVERY**  
) **TRUST FOR ENTRY OF AN ORDER IN**  
) **SUPPORT OF THE CONFIRMED PLAN**  
) **AUTHORIZING THE FTX RECOVERY**  
) **TRUST TO IMPLEMENT THE**  
) **RESTRICTED JURISDICTION**  
) **PROCEDURES IN POTENTIALLY**  
) **RESTRICTED FOREIGN JURISDICTIONS**  
) **(this "MOTION")**

) **HEARING DATE:** July 22, 2025 at 9:30 a.m.

) Judge: The Honorable Karen B. Owens  
) Chief United States Bankruptcy Judge  
) United States Bankruptcy Court, 824 North  
) Market Street, 3rd Floor, Wilmington, Delaware  
) 19801

) Action Filed: July 13, 2025  
)

**STATEMENT OF FACTS**

1. On July 2, 2025 the FTX Recovery Trust submitted the Motion through its aforementioned Debtor's Counsels.
2. Furthermore, on June 27, 2025 the Debtor's Financial Advisor submitted a Declaration of Steven P. Coverick (Managing Director) in Support of Proposed Reduction of Disputed Claims Reserve Amount that stated the following in Paragraph 7:

“To date, the Debtors and the FTX Recovery Trust have filed 186 omnibus claims objections seeking to disallow and expunge, reclassify, or reduce over 36,400 asserted Claims in excess of \$27 quintillion. The FTX Recovery Trust's reconciliation process is significant and remains ongoing.”

3. Furthermore, the aforementioned bankruptcy case has amassed nearly US\$950 million in fees, including nearly US\$250 million collected by the Sullivan & Cromwell (Debtor's Counsel) and nearly US\$300 million collected by Alvarez & Marsal (Debtor's Financial Advisor). See <https://www.legal.io/articles/5577623/FTX-s-950-Million-Bankruptcy-Fees-Rank-Among-Costliest-Since-Lehman>.
4. Furthermore, despite the exorbitant fees collected the Debtor's Counsels and the Debtor's Financial Advisor have failed to set up an appropriate mechanism to notify Creditors/Claimants of the exact reasons as to why the Claim is being tagged as Disputed on the FTX.com claims dashboard (see Annex 1). More to that point:
  - a. Upon requesting an explanation from FTX Customer Support on April 10, 2025, I was told that my claim could be marked Disputed for any of the following reasons without providing any explanation as to what specific reason applies to my claim, how this reason was arrived at or means of recourse to challenge the reasoning (Annex 2):

“+ A proof of claim was filed that is still under review and has not yet been reconciled.



+ **Your jurisdiction is still under review and is currently not eligible for distributions.**

+ You received partial distributions from the FTX Australia proceedings and are still under review to reconcile the remaining amount of your claim.

+ You are a Liquid Global exchange customer and are still under review as recognition proceedings for the chapter 11 plan move forward in Singapore.”

- b. Furthermore, upon confirming on July 10, 2025 that my jurisdiction and address are listed as being in Israel, which **is not** one of the 49 restricted jurisdictions listed in the Motion FTX Customer Support proceeded to state on July 11 and 12, 2025 the following as the reasons for my Claim being tagged as Disputed:

“+ A proof of claim was filed is still under review and has not yet been reconciled;

+ **Your jurisdiction is still under review and/or is currently not eligible for distributions;**

+ You received partial distributions from the FTX Australia proceedings and are still under review to reconcile the remaining amount of your claim.”

while insisting that these reasons are “specific to my account” (see Annex 3).

- c. Furthermore, I, Ilya Zusman, made multiple attempts to escalate the matter of refusal to provide specific information or recourse to the Disputed categorization of my claim through Kroll (FTXInfo@ra.kroll.com) as well through the provided phone number, beginning with the first one on April 1, 2025. I have spoken with the US based manager at Kroll, named Earl (no last name provided) who has on multiple occasions escalated the matter internally as well as to FTX Trading Ltd as well as to the Debtor’s Counsels. He informed me that his attempts to escalate have been stonewalled and received no response from the aforementioned parties.

## **ARGUMENT**

I, Ilya Zusman, the Claimant, hereby join and repeat all the objections by the claimants in their substance and meaning as made available by Kroll's portal

(<https://restructuring.ra.kroll.com/FTX/Home-DocketInfo> under dockets 31287 through 31359 as well as any future objections listed by the affected claimants up until the submission deadline.

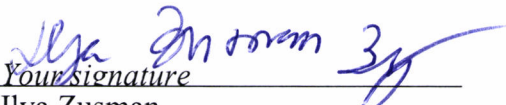
Furthermore, I submit that the failure to provide by the Debtor, the Debtor's Counsels and the Debtor's Financial Advisor a clear mechanism to address, challenge and rectify the Disputed status specific to my Claim, including jurisdictional or any other issues, as well as the general inaccuracy and sloppiness of the provided FTX Customer Support communication mechanism (all as listed in the Statement of Facts) in addition to the failure of the Debtor, the Debtor's Counsels and the Debtor's Financial Advisor to respond in an appropriate and timely manner to the multiple escalation attempts (all as listed in the Statement of Facts) constitutes obstructive unlawful behavior aimed at disenfranchising and discrimination of creditors with the objective of defrauding them of their just claims, including my own.

## **CONCLUSION**

Based on the reasons stated above, I respectfully request that the Motion be denied. Furthermore, as a matter of relief I request that the Debtor's Counsel be instructed to respond to my multiple requests to address as to the specific and exact reasons for my claim being tagged as Disputed and to provide the robust venue for this status redress and rectification. I further request that any and all future fees due and payable to the the Debtor's Counsels and the Debtor's Financial Advisor be stopped pending the satisfactory resolution of this matter that I raised.



DATED: July 13, 2025

  
Your signature  
Ilya Zusman

Copies served by email to:

LANDIS RATH & COBB LLP

/s/ Matthew R. Pierce

Adam G. Landis (No. 3407)

Kimberly A. Brown (No. 5138)

Matthew R. Pierce (No. 5946)

E-mail:

landis@lrclaw.com

brown@lrclaw.com

[pierce@lrclaw.com](mailto:pierce@lrclaw.com)

-and-

SULLIVAN & CROMWELL LLP

Andrew G. Dietderich (admitted pro hac vice)

James L. Bromley (admitted pro hac vice)

Brian D. Glueckstein (admitted pro hac vice)

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kranzleya@sullcrom.com

Counsel for the FTX Recovery Trust

ALVAREZ & MARSAL NORTH AMERICA, LLC

Steven P. Coverick

E-mail:

[s.coverick@alvarezandmarsal.com](mailto:s.coverick@alvarezandmarsal.com).

Financial Advisor for the FTX Recovery Trust

ANNEX 1



## Distributions Dashboard

Values in U.S. Dollars (USD)

### Feb 18th Distribution - Convenience Class Customers

### May 30th Distribution - Convenience Class Customers

Distribution Method

Est. Distribution Date

Claim Classification

Claim Status

Kraken

TBD

TBD

Disputed

### Distribution Calculation

Claim Amount

Post-Petition Interest Distribution

(Tax Withholding)

(Forfeited Distribution)

Total Distribution

Recovery % (Prior to Tax Withholding)

TBD

TBD

TBD

TBD

TBD

TBD

The data above is static and pertains solely to the Next Distribution on May 30, 2025. Any subsequent changes or updates (e.g., tax or distribution service provider) will be reflected in the Distributions

STEP 1  
Initiate Account Owner  
Authentication

STEP 2  
Verify Identity of the Original  
FTX Account Owner

STEP 3  
KYC

STEP 4  
View Account Balances

STEP 5  
View Your Proof of Claim Status

STEP 6  
Voting

STEP 7  
Distributions - Tax  
Requirements

STEP 8  
Distributions: Select  
Provider

STEP 9  
Distribution Amounts -  
Summary

ANNEX 2





**Marlon** (Please use [support@ftx.com](mailto:support@ftx.com))

Apr 10, 2025, 14:31 PDT

Hi there,

Thanks for reaching out.

Please click on the "i" icon for more information as to why your claims status is marked as disputed.

Any Claim that is not "Allowed" (as defined in Section 2.1.8 of the Second Amended Joint Chapter 11 Plan [Docket ID 26404, Exhibit A]) and is not subject to a valid and timely Bahamas Opt-In Election remains a "Disputed Claim". The FTX Recovery Trust is in the process of reconciling all Claims and certain Disputed Claims may later become Allowed and eligible to receive a Distribution. This may be due to the following reasons (among other things):

- A proof of claim was filed that is still under review and has not yet been reconciled
- Your jurisdiction is still under review and is currently not eligible for distributions
- You received partial distributions from the FTX Australia proceedings and are still under review to reconcile the remaining amount of your claim
- You are a Liquid Global exchange customer and are still under review as recognition proceedings for the chapter 11 plan move forward in Singapore

More information can be found here: <https://support.ftx.com/hc/en-us/articles/34522100742804-Distributions-Dashboard-FAQs>

Thank you,

FTX Customer Support

ANNEX 3





ilya zusman &lt;ilz31977@gmail.com&gt;

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## Change of Address and Jurisdiction

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**FTX Support** <support@ftx.com>  
Reply-To: FTX Support <support@ftx.com>  
To: ilya zusman <ilz31977@gmail.com>

Thu, Jul 10, 2025 at 10:53 PM

##- Please type your reply above this line -##

Your request (326429) has been updated.

To add additional comments, reply to this email.



**Gaile** (Please use [support.ftx.com](mailto:support@ftx.com))

Jul 10, 2025, 12:53 PDT

Hi Ilya,

Thank you for sending these documents.

I've checked with the team and verified that you had already submitted documents for this address as your part of your KYC.

Thank you,

FTX Customer Support



**ilya zusman**

Jul 10, 2025, 09:51 PDT

Hello

Please see attached the following documents:

- 1) Israeli National ID (number 340890417)
- 2) Israeli Passport (number 36030179)
- 3) House Internet Bill listing my name, my national ID number and my residency address
- 4) A letter from my lawyers attesting to both my Israeli citizenship and residency

The above should be more than sufficient to correct my legal jurisdiction as being the State of Israel.

Regards

Ilya Zusman

Attachment(s)

[Ilya Zusman National ID \(Israel\).jpeg](#)

[Ilya Zusman Passport \(Israel\).jpg](#)

[TCS Home Internet Bill.pdf](#)

[Confirmation of Israeli Citizenship and Residency\\_Gornitzky & Co Law Firm.pdf](#)

[Quoted text hidden]

[Quoted text hidden]





ilya zusman &lt;ilz31977@gmail.com&gt;

## Change of Address and Jurisdiction

**FTX Support** <support@ftx.com>  
Reply-To: FTX Support <support@ftx.com>  
To: ilya zusman <ilz31977@gmail.com>

Fri, Jul 11, 2025 at 11:42 PM

##- Please type your reply above this line -##

Your request (326429) has been updated.

To add additional comments, reply to this email.



**Gaile** (Please use [support.ftx.com](https://support.ftx.com))

Jul 11, 2025, 13:42 PDT

Hi there,

Thanks for reaching out.

Please click on the "i" icon for more information as to why your claim status may be marked as "Disputed".

### Why is my claim status Disputed?

Any Claim that is not "Allowed" (as defined in Section 2.1.8 of the Confirmed Second Amended Joint Chapter 11 Plan [D.I. 26404, Exhibit A] (the "Plan")) and is not subject to a valid and timely Bahamas Opt-In Election remains a "Disputed Claim" (as defined in the Plan). A Claim may be Disputed due to, among other reasons, the following:

- A proof of claim was filed is still under review and has not yet been reconciled;
- Your jurisdiction is still under review and/or is currently not eligible for distributions;
- You received partial distributions from the FTX Australia proceedings and are still under review to reconcile the remaining amount of your claim.

FTX Customer Support cannot access your specific claim details. The FTX Recovery Trust is actively reviewing all claims and some "Disputed" claims may be eligible for future distribution.

At the moment, no further action is needed from your end. If any additional information is required for your Claim, the reviewing team will get in touch with you.

Due to the number of claims to be reviewed, we are unable to share the exact date for reconciliation. Once your claim has been reviewed, you will be duly notified.

More information can be found here: <https://support.ftx.com/hc/en-us/articles/34522100742804->

[Distributions-Dashboard-FAQs](#)

Thank you,

FTX Customer Support



**ilya zusman**

Jul 11, 2025, 13:17 PDT

In that case, why is my Claim still marked as Disputed?

[Quoted text hidden]

[Quoted text hidden]



ilya zusman &lt;ilz31977@gmail.com&gt;

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## Change of Address and Jurisdiction

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**FTX Support** <support@ftx.com>  
Reply-To: FTX Support <support@ftx.com>  
To: ilya zusman <ilz31977@gmail.com>

Sat, Jul 12, 2025 at 4:13 PM

##- Please type your reply above this line -##

Your request (326429) has been updated.

To add additional comments, reply to this email.



**Gaile** (Please use [support@ftx.com](mailto:support@ftx.com))

Jul 12, 2025, 06:13 PDT

Hi there,

The reason why your claim status is marked as "Disputed" is specific to your account. Please click on the "i" icon for more information.

While we don't have further details to share currently, the FTX Recovery Trust is actively reviewing all claims. It's possible that some disputed claims may become eligible for a distribution in the future.

Thank you,

FTX Customer Support

**ilya zusman**

Jul 11, 2025, 14:02 PDT

I am afraid that is not a satisfactory answer to my question.

As we have established my jurisdiction is Israel and it is not under a review and is eligible for distribution. Furthermore, I have not received any distributions from FTX Australia and in any event it does not apply to me.

Therefore, I am asking again, what exactly is being reviewed and reconciled in respect of my claim.

I ask that you provide specific answers, as alternatively I will be escalating this matter through my lawyers holding all parties implicated in an attempt to delay and defraud me of my Claim fully responsible.

[Quoted text hidden]

[Quoted text hidden]



05/02/14

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DE-USA  
PHL

AA  
INTL PRIORITY

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RRDA 07/19

TRK# 8152 3316 0272  
0460  
FedEx



FedEx Tracking Number 8152 3316 0272 0460

4 Express Package Service

01 ☒ FedEx Intl. Priority 57 ☐ FedEx Europe First select European locations. 06 ☐ FedEx Intl. First Early morning delivery to select intercontinental locations. 03 ☐

5 Packaging

06 ☒ FedEx Envelope 02 ☐ FedEx Pak 03 ☐ FedEx Box 04 ☐ Fed 15 ☐ FedEx 10kg Box 25 ☐ FedEx 25kg Box 01 ☐ Other

6 Special Handling and Delivery Signature Options

01 ☐ HOLD at FedEx Location 03 ☐ SATURDAY Delivery

10 Direct Signature

01 ☐ Indirect Signature if no one is available at recipient's address, someone a neighboring address may sign for delivery.

7 Payment

Complete payment options for both transportation charges and duties and taxes.

Bill transportation charges to:

Sender Acct. No. in Section 1 will be billed. 2 ☐ Recipient 3 ☐ Third Party 4 ☐ Credit Card 5 ☐

FedEx Acct. No.

Credit Card Exp. Date

Bill duties and taxes to:

Sender Acct. No. in Section 1 will be billed. 2 ☐ Recipient 3 ☐ Third Party 5 ☐ Cash/Cheque

FedEx Acct. No.

8 Required Signature

Use of this Air Waybill constitutes your agreement to the FedEx Conditions of Carriage for EMEA, an extract of which is reproduced on the back of this Air Waybill, and you represent that this shipment does not contain dangerous goods. Certain international treaties, including the Warsaw or Montreal Convention, may apply to this shipment and limit our liability for damage, loss, or delay, as described in our Conditions of Carriage for EMEA.

Sender's Signature:

Received above shipment in good order and condition. We agree to pay all charges, including Customs duties and taxes as applicable, and we agree to the Conditions of Carriage as stated on the reverse side of the Recipient's copy.

Recipient's Signature:

Origin Station ID	Country Code/Destination Station ID	URSA Routing	Handling Units	Total Volume (cm)
Received At: 1 <input type="checkbox"/> Reg. Stop 2 <input type="checkbox"/> On-Call Stop 3 <input type="checkbox"/> Drop Box 4 <input type="checkbox"/> World Service Center 5 <input type="checkbox"/> Station	Form Attached: <input type="checkbox"/> CI <input type="checkbox"/> CO	Credit Card Auth. <input type="checkbox"/>	Date	Time
Base Charges FedEx Emp. #	Declared Val. Chg DDA/ OPA Other	Date	Time	Date

FedEx® Intern  
Express  
For shipments  
For FedEx or  
or to ship to

1 From

Date 07/16/14

Sender's Name ILW

Company

Address

Address

City Tel Aviv

Country Israel

Email 16231977@gmail.com

Order's TURN Number

ing Reference

client's me Hon. Keren B. Ziv

company US Bankruptcy Court for District of Columbia

Address 824 North Market Street 3rd Floor

Address

City Wilmington

Country USA

mail address

Recipient's Tax ID Number

or Customs Purposes

Shipment Information

Total Packages

Sender's Last and

Joint S.A.C.

Total Weight

Commodity Description

Documents

Harmonised Code

Country of Manufacture

Value for Customs

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Waybill

and the Indian Subcontinent.  
For packages over 68 kg (150 lbs.)  
Use Int. Air Waybill.

ILVA 2313  
Phone (972) 538530471

State Province

Postal Code

SP-100Y

773-104050

815233160272

WILMINGTON, DE

19801-3024-99

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